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FM AMEMBASSY MANAGUA

TO RUEHC/SECSTATE WASHDC PRIORITY 4450
RUEHRC/DEPT OF AGRICULTURE WASHINGTON DC
INFO RUEHZA/WHA CENTRAL AMERICAN COLLECTIVE
RUMIAAA/CDR USSOUTHCOM MIAMI FL
RUCPDOC/DEPT OF COMMERCE WASHINGTON DC
RUEHLMC/MILLENNIUM CHALLENGE CORP WASHDC
RUEAUSA/DEPT OF HHS WASHINGTON DC
RUEATRS/DEPT OF TREASURY WASHINGTON DC

UNCLAS MANAGUA 000806

SIPDIS
SENSITIVE

USDA/FAS/OFSO - HMAGINNIS
USDA/FAS/OCBD/FA - JPHILLIPS, EBELTRAN, DPFAFF
USDA/FAS/OCDB/TSCB - CEVANS
USDA/FAS/OCRA - YWEDDERBURN
AMEMBASSY GUATEMALA FOR BHUFF AND DORELLANA

E.O. 12958: N/A
TAGS: EAGR NU CS
SUBJECT: NICARAGUA FY2010 FOOD FOR PROGRESS PROGRAM REQUEST

¶1. (SBU) Summary: The Government of Nicaragua (GON) has requested a \$4.8 million FY2010 government-to-government U.S. Department of Agriculture (USDA) Food for Progress (FFP) program to continue work with the Ministry of Agriculture and Forestry (MAGFOR) to improve Nicaragua's sanitary and phytosanitary (SPS) standards to take advantage of the Central America - United States - Dominican Republic Free Trade Agreement (CAFTA-DR) and other free trade agreements. The program with MAGFOR would support agricultural development, improve food safety, and promote international trade. The commodities requested for monetization are 4,260 MT of vegetable oil and 1,820 MT of tallow. Post believes this program supports our efforts to foster private sector led growth and assist Nicaraguan farmers in their efforts to take advantage of CAFTA-DR. It would also demonstrate our interest in continuing to cooperate with the GON on areas of common interest. End summary.

¶2. (SBU) On July 31, 2009, through the Foreign Agricultural Service (FAS) website, the GON formally submitted a proposal for a FY2010 government-to-government USDA FFP program. The Ministry of Agriculture and Forestry requested a three-year program to strengthen the government's technical capacity in on SPS issues and to assist exporters in their efforts to meet SPS standards in international markets. It would support agricultural development, improve food safety, and promote international trade. The program would address areas such as the development of a national plant health surveillance program; good agricultural practices/traceback; maintenance of a fruit fly free area; hog cholera prevention program; prevention, control, and eradication of avian diseases; and certifications of ranches free of tuberculosis and brucellosis.

¶3. (SBU) Commodities will be monetized through the Nicaraguan Importation Company (ENIMPORT), a dependency of the Ministry of Finance, which has successfully monetized FY2003, FY2004, and FY2005 government-to-government FFP programs. The program request is for 4,260 MT of vegetable oil and 1,820 MT of tallow, with a current estimated value of \$4.8 million. The GON would provide \$1.2 million as a counterpart contribution for an estimated program total of \$6.0 million. Post supports the request for vegetable oil and tallow as the preferred commodities. According to the Nicaraguan Customs Administration, 2008 imports of vegetable oil exceeded 62,000 MT, while tallow imports were more than 18,000 MT.

¶4. (SBU) Post supports this FPP proposal and believes it complements ongoing FFP programs and other private and public agricultural sector programs. We believe this program supports our efforts to foster private sector-led growth and assist Nicaraguan farmers in their efforts to take advantage of CAFTA-DR. It would also demonstrate our interest in continuing to cooperate with the GON on

areas of common interest.

CALLAHAN